

{As Prepared for Delivery}

**Utilities Program Staff Talk
November 17, 2005**

**Thomas C. Dorr
Under Secretary for Rural Development
Remarks**

Good morning. I've had the occasion of meeting with some -- but certainly not all of you -- so it's great to have this chance to get together.

I want to begin by thanking you for the contribution that you make each and every day to rural America.

Most of you have been here a lot longer than I have ... so you already know this ... but it still bears repeating. A lot of what we do in government generally -- and in Rural Development certainly -- gets taken for granted. Sometimes we're almost invisible. Probably that's especially true for an organization that finances infrastructure.

The pipe goes in the ground ... the poles are set and the wires are strung ... the water comes out of the facet ... the telephone works and even the

internet is old hat. It's the day-to-day infrastructure of ordinary life, and most people don't really give a thought about where it comes from.

Until something goes wrong, of course.

But you know where it comes from, and so do I. Our borrowers know -- the Rural Electric Coops, the telecoms, the water districts. Congress knows. President Bush knows -- as you probably know, the President gets his electricity at the ranch in Crawford from a rural electric coop. And his drinking water comes from one of our borrowers too.

In fact, one of the first times I met President Bush after the 2000 election, he made a point of asking me what I thought about water. I was a little taken aback. I asked "what do you mean," and he went on to tell me that most of Texas at that time, including his ranch, was short of it. I think there was a bit of a hint there. More than a bit, actually. But he knows and appreciates what you do.

But frankly, he's an exception. Relatively few of the 60 million rural Americans whose lives you touch have much idea that we're here. Our

name isn't even on their bills -- which is probably a good thing, come to think of it.

That invisibility comes with the territory. I try to wave the flag when I'm out speaking to various groups, but it's still a fact. So I'd like to take this opportunity to say thanks. What you do is important.

The whole nation got a glimpse of that back in August and September, when Hurricanes Katrina and Rita hit the Gulf Coast. I've been down there a couple of times now. So have some of you. There are whole counties that look like my three year old granddaughter got mad at her Legos and kicked them across the room. The devastation is incredible.

What was also incredible, and inspiring, was the response by many, many people -- including some in this room.

RD utility programs -- supported by many of you -- worked wonders in getting essential services back online. Our colleagues in the RD Housing Programs did an extraordinary job helping with the evacuees. The Forest Service deployed thousands of first responders, and FNS

prepositioned millions of dollars worth of emergency supplies. USDA has a lot to be proud of.

We're going to be called upon in all of our program areas for years to come to help put things back to right, and I know that you will respond with skill and energy and professionalism. I'm proud of what you did and confident of what we will do. You displayed a zealous competence that was recognized. The cage and many others appreciate. I was and am very proud of you all.

Most of our work isn't that dramatic, but it's just as important. Rural America is a big place. It's diverse. One size doesn't fit all. But if we start with a broad brush assessment, rural America has unlimited potential. I'm an incurable optimist about that. And turning that potential into results depends in very large part on what you do each and every day.

We're in the opportunity business. We're playing offense, not defense. Not too many years ago, Rural Development and its predecessor

agencies had a reputation as being primarily lenders of last resort.

That's changed.

Today, we intend to function as an investment bank. That's not just a slogan. Modern technology has changed the rules of the game in ways that hold enormous promise for rural communities, and our mission is to make sure that rural communities realize that promise.

It's useful to step back a bit and remember that our big cities today, aside from a few major ports and capitol cities, are relatively new.

There is nothing historically predetermined about them. For the most part, both here and in Europe, today's big cities were built in the 19th and early 20th centuries by the railroads.

Big cities offered transportation efficiencies and economies of scale.

They offered opportunity, and the great demographic shift was people chasing jobs from the countryside into the cities. But these new cities also imposed high costs for housing, high costs for doing business, high taxes, congestion, noise, crime, environmental problems, all the diseconomies of scale.

Then in the middle of the last century – see how time flies – the automobile produced a great wave of decentralization. The biggest demographic shift of our lifetimes has been the move out of central cities into the suburbs. This was people chasing bigger homes, quieter neighborhoods, safer streets, a little open space. It was all made possible by the internal combustion engine and a road net to match. But the cost has been sprawl and ever longer commutes.

I don't have to tell you about that. I know some of you are on the road or on the train at 5:00 and 5:30 in the morning to get here every day -- very often to do jobs that involve sitting in front of a computer screen similar to the one in your home, except the one at home is probably newer and more powerful.

I admire your dedication -- but frankly, your children and certainly your grandchildren a couple of decades from now are going to think you were crazy to do it. And they'll wonder why you put up with it for so long.

They'll think that because they will have grown up in the age of the computer, internet, and broadband. They'll think nothing of instantaneous global communications. They'll be accustomed to a networked world in which most businesses can be done just about anywhere, and in which a very high percentage of jobs will be more flexible than ever before in history. They'll be so accustomed to decentralized, networked organizations that they probably won't even call it telecommuting.

We're in the very early stages of a profound transformation in social organization. The computer and broadband are producing the greatest decentralization of information in human history, second only to the invention of the printing press, if even that. It will take time for organizations to adapt, but eventually the computer and broadband will be as transformative as the railroads and the automobile in determining where we live and how we organize work.

The point I make as I travel around the country is that this represents an historic opportunity for rural America. Rural communities are competitive in a myriad of ways they've not been for many, many years.

There are tremendous opportunities today in renewable energy, ethanol and biodiesel, bioag and value added ventures, and internet-enabled economic diversification.

Rural communities can take advantage of all this – provided, of course, that they can generate investment capital and provide infrastructure, good schools, and quality health care. That’s where we come in.

If I were to reduce this to a single point, a hundred years ago, people on the farm -- not all of them, but a lot -- spent their time trying to figure out how to escape to the city. That’s when you farmed with a mule, got your water from a well, and got ready for bed when the sun went down.

But not anymore. Today, people on the farm usually want to stay there, and a lot of their city cousins wish they could come home. A small town that can offer good schools, health care, and decent jobs ... a small town where you can live locally but compete globally because you’re just a click away from anyone in the world ... that kind of small town is a great

place to live. Our job is to open the door. To create a sustainable vision and then help make it reality.

Rural Development is an exciting organization because we cover all the bases. There's no call for electricity if the houses aren't going up.

There's no call for houses if the jobs aren't there. There are no new jobs if the infrastructure isn't in place. We step in wherever it's needed -- as we've been doing for 70 years now. It is truly a privilege for me to work with you, and I look forward to what we can accomplish over the next three years. Because we can make a difference.

I'd now like to turn this meeting over to the newest addition to the team, Jim Andrew. Jim is no stranger to many of you. He's a former president of NRECA and served on the board from 1988 to 2004. His involvement with cooperatives runs back even further, to 1968, when he became director of marketing for Georgia Electric Membership Cooperative. Along the way, he also served on his own coop board for 25 years, managed the family farm, and ran a successful small business.

Those of you who already know Jim know that he is a great friend and supporter of Rural Development and will be a great Administrator for the Utilities Programs. Those of you who don't yet know Jim will find that out very shortly.

I congratulate Jim on the confidence and trust the President has placed in him. I congratulate him especially on moving through his hearing and confirmation by unanimous consent in a single day – take it from me, that's impressive.

Jim will be a great leader for Rural Development. So as I turn the microphone over to Jim to say a few words, let me ask all of you to join me in welcoming him aboard.